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March 27, 2007

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**VIA E-FILING AND HAND DELIVERY**

Charles L.A. Terreni, Esquire  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Application of Development Service, Inc. for Approval of New Schedule of Rates and Charges for Sewerage Service Provided to Residential and Commercial Customers in all areas served.

**PSC Docket No.: 2004-212-S**

and

Application of Bush River Utilities, Inc. for an approval of New Schedule of Rates and Charges for Sewerage Service provided Residential and Commercial customers in all areas served.

**PSC Docket No.: 2004-259-S**

Dear Mr. Terreni:

On February 2, 2007, Development Service, Inc. ("DSI") and Bush River Utilities, Inc. ("Bush River") indicated to the South Carolina Office of Regulatory Staff ("ORS") that DSI and Bush River are prepared for ORS's audit as required in the Public Service Commission of South Carolina ("Commission") Orders ("Orders") issued in the matters above before Phase 2 rates may be implemented.<sup>1</sup> ORS has completed its audit of DSI and Bush River and ORS certifies that:

- Construction of the Bush River Wastewater Treatment Plant has been completed and is in operable condition;
- Bush River has expended at least \$932,278 in plant upgrades;
- The bonding requirements for DSI and Bush River have been met;
- DSI and Bush River are using the NARUC chart of accounts to ORS's satisfaction; and,
- Bush River and DSI are in compliance with DHEC regulations as documented in correspondence received from DHEC.

In summary, ORS certifies that both DSI and Bush River meet the audit conditions required in the Orders. If ORS may be of further assistance, please let me know.

Sincerely,

*Shannon Bowyer Hudson*  
Shannon Bowyer Hudson

SBH/pjm

cc: Scott Elliott, Esquire  
Charles Cook, Esquire

<sup>1</sup> In Commission Docket No. 2004-212-S (DSI), see Order Numbers 2005-42 and 2005-146.  
In Commission Docket No. 2004-259-S (Bush River), see Order Numbers 2005-83 and 2005-191.